

COAST GUARD AUTHORIZATION ACT OF 1997

JULY 31, 1997.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. SHUSTER, from the Committee on Transportation and Infrastructure, submitted the following

REPORT

[To accompany H.R. 2204]

[Including cost estimate of the Congressional Budget Office]

The Committee on Transportation and Infrastructure, to whom was referred the bill (H.R. 2204) to authorize appropriations for fiscal years 1998 and 1999 for the Coast Guard, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment is as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the “Coast Guard Authorization Act of 1997”.

SEC. 2. TABLE OF CONTENTS.

The table of contents for this Act is as follows:

Sec. 1. Short title.
Sec. 2. Table of contents.

TITLE I—AUTHORIZATION

Sec. 101. Authorization of appropriations.
Sec. 102. Authorized levels of military strength and training.

TITLE II—COAST GUARD MANAGEMENT

Sec. 201. Removal of cap on warrant officer severance pay.
Sec. 202. Authority to implement awards programs.

TITLE III—MARINE SAFETY

Sec. 301. Extension of territorial sea for certain laws.
Sec. 302. Penalties for interfering with the safe operation of a vessel.

TITLE IV—MISCELLANEOUS

Sec. 401. Vessel identification system amendments.
Sec. 402. Conveyance of Coast Guard Reserve training facility, Jacksonville, Florida.
Sec. 403. Documentation of certain vessels.
Sec. 404. Conveyance of Coast Guard facility in Nahant, Massachusetts.
Sec. 405. Unreasonable obstruction to navigation.

Sec. 406. Financial responsibility for oil spill response vessels.
 Sec. 407. Conveyance of Coast Guard property to Jacksonville University in Jacksonville, Florida.
 Sec. 408. Penalty for violation of international safety convention.
 Sec. 409. Coast Guard City, USA.
 Sec. 410. Conveyance of Communication Station Boston Marshfield Receiver Site, Massachusetts.

TITLE I—AUTHORIZATION

SEC. 101. AUTHORIZATION OF APPROPRIATIONS.

Funds are authorized to be appropriated for necessary expenses of the Coast Guard, as follows:

- (1) For the operation and maintenance of the Coast Guard—
 - (A) for fiscal year 1998, \$2,790,700,000; and
 - (B) for fiscal year 1999, \$2,854,700,000; of which \$25,000,000 shall be derived each fiscal year from the Oil Spill Liability Trust Fund to carry out the purposes of section 1012(a)(5) of the Oil Pollution Act of 1990.
- (2) For the acquisition, construction, rebuilding, and improvement of aids to navigation, shore and offshore facilities, vessels, and aircraft, including equipment related thereto—
 - (A) for fiscal year 1998, \$401,000,000, of which \$2,000,000 shall be made available for concept evaluation for a replacement vessel for the Coast Guard icebreaker MACKINAW, which concept evaluation shall be transmitted to the Congress not later than April 1, 1998; and
 - (B) for fiscal year 1999, \$440,000,000;
 to remain available until expended, of which \$20,000,000 shall be derived each fiscal year from the Oil Spill Liability Trust Fund to carry out the purposes of section 1012(a)(5) of the Oil Pollution Act of 1990.
- (3) For research, development, test, and evaluation of technologies, materials, and human factors directly relating to improving the performance of the Coast Guard's mission in support of search and rescue, aids to navigation, marine safety, marine environmental protection, enforcement of laws and treaties, ice operations, oceanographic research, and defense readiness—
 - (A) for fiscal year 1998, \$19,500,000; and
 - (B) for fiscal year 1999, \$19,000,000;
 to remain available until expended, of which \$1,000,000 may be made available in fiscal year 1998 for fuel cell research, and of which \$3,500,000 shall be derived each fiscal year from the Oil Spill Liability Trust Fund to carry out the purposes of section 1012(a)(5) of the Oil Pollution Act of 1990.
- (4) For retired pay (including the payment of obligations otherwise chargeable to lapsed appropriations for this purpose), payments under the Retired Serviceman's Family Protection and Survivor Benefit Plans, and payments for medical care of retired personnel and their dependents under chapter 55 of title 10, United States Code—
 - (A) for fiscal year 1998, \$652,000,000; and
 - (B) for fiscal year 1999, \$692,000,000.
- (5) For alteration or removal of bridges over navigable waters of the United States constituting obstructions to navigation, and for personnel and administrative costs associated with the Bridge Alteration Program—
 - (A) for fiscal year 1998, \$17,300,000; and
 - (B) for fiscal year 1999, \$20,000,000,
 to remain available until expended.
- (6) For environmental compliance and restoration at Coast Guard facilities (other than parts and equipment associated with operations and maintenance), \$21,000,000 for each of fiscal years 1998 and 1999, to remain available until expended.

SEC. 102. AUTHORIZED LEVELS OF MILITARY STRENGTH AND TRAINING.

- (a) ACTIVE DUTY STRENGTH.—The Coast Guard is authorized an end-of-year strength for active duty personnel of—
 - (1) 37,944 as of September 30, 1998; and
 - (2) 38,038 as of September 30, 1999.
- (b) MILITARY TRAINING STUDENT LOADS.—The Coast Guard is authorized average military training student loads as follows:
 - (1) For recruit and special training—
 - (A) for fiscal year 1998, 1,424 student years; and
 - (B) for fiscal year 1999, 1,424 student years.
 - (2) For flight training—
 - (A) for fiscal year 1998, 98 student years; and

- (B) for fiscal year 1999, 98 student years.
- (3) For professional training in military and civilian institutions—
 - (A) for fiscal year 1998, 283 student years; and
 - (B) for fiscal year 1999, 283 student years.
- (4) For officer acquisition—
 - (A) for fiscal year 1998, 814 student years; and
 - (B) for fiscal year 1999, 810 student years.

TITLE II—COAST GUARD MANAGEMENT

SEC. 201. REMOVAL OF CAP ON WARRANT OFFICER SEVERANCE PAY.

Section 286a(d) of title 14, United States Code, is amended by striking the last sentence.

SEC. 202. AUTHORITY TO IMPLEMENT AWARDS PROGRAMS.

Section 93 of title 14, United States Code, is amended—

- (1) in paragraph (s), by striking the comma at the end and inserting a semicolon;
- (2) in paragraph (t), by redesignating subparagraphs (1) and (2) as subparagraphs (A) and (B), respectively;
- (3) by redesignating paragraphs (a) through (v) in order as paragraphs (1) through (21);
- (4) by redesignating the existing text (as so amended) as subsection (a); and
- (5) by adding at the end the following new subsection:

“(b) The Commandant may provide for the honorary recognition of individuals and organizations, including State and local governments and commercial and nonprofit organizations, that significantly contribute to Coast Guard programs, missions, or operations, by awarding plaques, medals, trophies, badges, and similar items to acknowledge that contribution.”.

TITLE III—MARINE SAFETY

SEC. 301. EXTENSION OF TERRITORIAL SEA FOR CERTAIN LAWS.

(a) PORTS AND WATERWAYS SAFETY ACT.—Section 3 of the Ports and Waterways Safety Act (33 U.S.C. 1222) is amended by adding at the end the following:

“(5) ‘Navigable waters of the United States’ includes all waters of the territorial sea of the United States as described in Presidential Proclamation 5928 of December 27, 1988.”.

(b) TITLE 46, UNITED STATES CODE.—Subtitle II of title 46, United States Code, is amended as follows:

(1) In section 2101—

- (A) by redesignating paragraph (17a) as paragraph (17b); and
- (B) by inserting after paragraph (17) the following:

“(17a) ‘navigable waters of the United States’ includes all waters of the territorial sea of the United States as described in Presidential Proclamation 5928 of December 27, 1988.”.

(2) In section 2301, by inserting “(including the territorial sea of the United States as described in Presidential Proclamation 5928 of December 27, 1988)” after “of the United States”.

(3) In section 4102(e), by striking “on the high seas” and inserting “beyond 3 nautical miles from the baseline from which the territorial sea of the United States is measured”.

(4) In section 4301(a), by inserting “(including the territorial sea of the United States as described in Presidential Proclamation 5928 of December 27, 1988)” after “of the United States”.

(5) In section 4502(a)(7), by striking “on vessels that operate on the high seas” and inserting “beyond 3 nautical miles from the baseline from which the territorial sea of the United States is measured”.

(6) In section 4506(b), by striking paragraph (2) and inserting the following:

“(2) is operating—

- “(A) in internal waters of the United States, or
- “(B) within 3 nautical miles from the baseline from which the territorial sea of the United States is measured.”.

(7) In section 8502(a)(3), by striking “not on the high seas” and inserting: “not beyond 3 nautical miles from the baseline from which the territorial sea of the United States is measured”.

(8) In section 8503(a), by striking paragraph (2) and inserting the following: “(2) is operating—

“(A) in internal waters of the United States, or

“(B) within 3 nautical miles from the baseline from which the territorial sea of the United States is measured.”.

SEC. 302. PENALTIES FOR INTERFERING WITH THE SAFE OPERATION OF A VESSEL.

(a) IN GENERAL.—Section 2302 of title 46, United States Code, is amended—

(1) by amending the section heading to read as follows:

“§ 2302. Penalties for negligent operations and interfering with safe operation”;

and

(2) in subsection (a) by striking “that endangers” and inserting “or interfering with the safe operation of a vessel, so as to endanger”.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 23 of title 46, United States Code, is amended by striking the item relating to section 2302 and inserting the following:

“2302. Penalties for negligent operations and interfering with safe operation.”.

TITLE IV—MISCELLANEOUS

SEC. 401. VESSEL IDENTIFICATION SYSTEM AMENDMENTS.

Title 46, United States Code, is amended—

(1) in section 12102(a), by striking “or is not titled in a State”;

(2) in section 12301, by adding at the end the following:

“(c) A documented vessel shall not be titled or required to display numbers under this chapter by a State, and any certificate of title issued by a State for a documented vessel shall be surrendered in accordance with regulations prescribed by the Secretary.

“(d) The Secretary may approve the surrender under subsection (c) of a certificate of title covered by a preferred mortgage under section 31322(d) of this title only if the mortgagee consents.”;

(3) in section 31322—

(A) by amending subsection (b) to read as follows:

“(b) Any indebtedness secured by a preferred mortgage that is filed or recorded under this chapter, or that is subject to a mortgage or instrument that is deemed to be a preferred mortgage under subsection (d) of this section, may have any rate of interest to which the parties agree.”; and

(B) in subsection (d), by amending paragraph (3) to read as follows:

“(3) A preferred mortgage under this subsection continues to be a preferred mortgage even if the vessel is no longer titled in the State where the mortgage or instrument granting a security interest became a preferred mortgage under this subsection.”; and

(4) in section 31325—

(A) in subsection (b)(1), by inserting “a vessel titled in a State,” after “a vessel to be documented under chapter 121 of this title.”;

(B) in subsection (b)(3), by inserting “a vessel titled in a State,” after “a vessel for which an application for documentation is filed under chapter 121 of this title.”; and

(C) in subsection (c), by inserting “a vessel titled in a State,” after “a vessel to be documented under chapter 121 of this title.”.

SEC. 402. CONVEYANCE OF COAST GUARD RESERVE TRAINING FACILITY, JACKSONVILLE, FLORIDA.

(a) IN GENERAL.—Notwithstanding any other provision of law—

(1) the land and improvements thereto comprising the Coast Guard Reserve training facility in Jacksonville, Florida, is deemed to be surplus property; and

(2) the Commandant of the Coast Guard shall dispose of all right, title, and interest of the United States in and to that property, by sale, at fair market value.

(b) RIGHT OF FIRST REFUSAL.—Before a sale is made under subsection (a) to any other person, the Commandant of the Coast Guard shall give to the city of Jackson-

ville, Florida, the right of first refusal to purchase all or any part of the property required to be sold under that subsection.

SEC. 403. DOCUMENTATION OF CERTAIN VESSELS.

(a) **GENERAL WAIVER.**—Notwithstanding section 27 of the Merchant Marine Act, 1920 (46 App. U.S.C. 883), section 8 of the Act of June 19, 1886 (46 App. U.S.C. 289), and sections 12106 and 12108 of title 46, United States Code, the Secretary of Transportation may issue a certificate of documentation with appropriate endorsement for each of the following vessels:

- (1) SEAGULL (United States official number 1038605).
- (2) BAREFOOT CONTESA (United States official number 285410).
- (3) PRECIOUS METAL (United States official number 596316).
- (4) BLUE HAWAII (State of Florida registration number FL0466KC).
- (5) SOUTHERN STAR (United States official number 650774).
- (6) KEEWAYDIN (United States official number 662066).
- (7) W.G. JACKSON (United States official number 1047199).
- (8) The vessel known as hopper barge E-15 (North Carolina State official number 264959).
- (9) MIGHTY JOHN III (formerly the NIAGARA QUEEN, Canadian registration number 318746).
- (10) MAR Y PAZ (United States official number 668179).
- (11) SAMAKEE (State of New York registration number NY 4108 FK).
- (12) NAWNSENSE (United States official number 977593).

(b) **OWNERSHIP OF VESSEL PHILADELPHIA.**—Notwithstanding section 2 of the Shipping Act, 1916 (46 App. U.S.C. 802, 803) and section 12102(a)(4) of title 46, United States Code, the parent corporation of the corporation holding title to the vessel PHILADELPHIA (United States official number 654192) on May 3, 1995, is deemed on that date and thereafter to be a citizen of the United States for purposes of owning corporations whose vessels are eligible for documentation under chapter 121 of title 46, United States Code, with a coastwise endorsement, if—

- (1) the chief executive officer of the parent corporation is a citizen of the United States;
- (2) the chairman of the board of directors of the parent corporation is a citizen of the United States, and the number of its directors who are noncitizens does not exceed a minority of the number necessary to constitute a quorum;
- (3) the parent corporation meets the stock ownership requirements of section 2 of the Shipping Act, 1916, for operating a vessel in the coastwise trade;
- (4) the corporation holding title is otherwise eligible to own a vessel operated in the coastwise trade; and
- (5) the vessel is otherwise eligible to be operated in the coastwise trade.

(c) **SUNMAR SKY.**—Section 1120(g) of the Coast Guard Authorization Act of 1996 (Public Law 104-324; 110 Stat. 3978) is amended by inserting “SUNMAR SKY (United States official number 683227),” after “vessels”.

SEC. 404. CONVEYANCE OF COAST GUARD FACILITY IN NAHANT, MASSACHUSETTS.

(a) **AUTHORITY TO CONVEY.**—

(1) **IN GENERAL.**—The Secretary of Transportation may convey, by an appropriate means of conveyance, all right, title, and interest of the United States in and to the property comprising United States Coast Guard Recreation Facility Nahant, Massachusetts, to the town of Nahant, Massachusetts.

(2) **IDENTIFICATION OF PROPERTY.**—The Secretary may identify, describe, and determine the property to be conveyed under this section.

(b) **TERMS AND CONDITIONS.**—Any conveyance of property under this section shall be made—

- (1) without payment of consideration; and
- (2) subject to the terms and conditions the Secretary considers appropriate.

SEC. 405. UNREASONABLE OBSTRUCTION TO NAVIGATION.

Notwithstanding any other provision of law, the liftbridge over the back channel of the Schuylkill River in Philadelphia, Pennsylvania, is deemed to unreasonably obstruct navigation for purposes of the Act entitled “An Act to provide for the alteration of certain bridges over navigable waters of the United States, for the apportionment of the cost of such alterations between the United States and the owners of such bridges, and for other purposes”, approved June 21, 1940 (chapter 409; 33 U.S.C. 511-523), popularly known as the “Hobbs Bridge Act” and the “Truman-Hobbs Bridge Act”.

SEC. 406. FINANCIAL RESPONSIBILITY FOR OIL SPILL RESPONSE VESSELS.

Section 1004(a)(2) of the Oil Pollution Act of 1990 (33 U.S.C. 2704(a)(2)) is amended by inserting “including a vessel responding to a discharge of substantial threat of a discharge of oil,” after “vessel,”.

SEC. 407. CONVEYANCE OF COAST GUARD PROPERTY TO JACKSONVILLE UNIVERSITY IN JACKSONVILLE, FLORIDA.**(a) AUTHORITY TO CONVEY.—**

(1) **IN GENERAL.**—The Secretary of Transportation may convey to Jacksonville University, located in Jacksonville, Florida, without consideration, all right, title, and interest of the United States in and to the property comprising the Long Branch Rear Range Light, Jacksonville, Florida.

(2) **IDENTIFICATION OF PROPERTY.**—The Secretary may identify, describe, and determine the property to be conveyed under this section.

(b) TERMS AND CONDITIONS.—Any conveyance of any property under this section shall be made—

(1) subject to the terms and conditions the Commandant may consider appropriate; and

(2) subject to the condition that all right, title, and interest in and to property conveyed shall immediately revert to the United States if the property, or any part thereof, ceases to be used by Jacksonville University.

SEC. 408. PENALTY FOR VIOLATION OF INTERNATIONAL SAFETY CONVENTION.

(a) **IN GENERAL.**—Section 2302 of title 46, United States Code, is amended by adding at the end the following new subsection:

“(e)(1) A vessel may not transport cargoes sponsored by the United States Government if—

“(A) the vessel has been detained by the Secretary for violation of an international safety convention to which the United States is a party, and the Secretary has published notice of that detention in an electronic form, including the name of the owner of the vessel; or

“(B) the owner of the vessel has had more than one vessel detained by the Secretary for violation of an international safety convention to which the United States is a party, and the Secretary has published notice of that detention in an electronic form, including the name of the owner of the vessel.

“(2) The prohibition in paragraph (1) expires for a vessel 1 year after the date of the publication in electronic form on which the prohibition is based.”.

(b) **EFFECTIVE DATE.**—The amendment made by subsection (a) takes effect January 1, 1998.

SEC. 409. COAST GUARD CITY, USA.

The community of Grand Haven, Michigan, shall be recognized as “Coast Guard City, USA”.

SEC. 410. CONVEYANCE OF COMMUNICATION STATION BOSTON MARSHFIELD RECEIVER SITE, MASSACHUSETTS.**(a) AUTHORITY TO CONVEY.—**

(1) **IN GENERAL.**—The Secretary of Transportation may convey, by an appropriate means of conveyance, all right, title, and interest of the United States in and to the Coast Guard Communication Station Boston Marshfield Receiver Site, Massachusetts, to the Town of Marshfield, Massachusetts.

(2) **LIMITATION.**—The Secretary shall not convey under this section the land on which is situated the communications tower and the microwave building facility of that station.

(3) **IDENTIFICATION OF PROPERTY.**—(A) The Secretary may identify, describe, and determine the property to be conveyed to the Town under this section.

(B) The Secretary shall determine the exact acreage and legal description of the property to be conveyed under this section by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the Town.

(b) TERMS AND CONDITIONS.—Any conveyance of property under this section shall be made—

(1) without payment of consideration; and

(2) subject to the following terms and conditions:

(A) The Secretary may reserve utility, access, and any other appropriate easements on the property conveyed for the purpose of operating, maintaining, and protecting the communications tower and the microwave building facility.

(B) The Town and its successors and assigns shall, at their own cost and expense, maintain the property conveyed under this section in a proper, substantial, and workmanlike manner as necessary to ensure the operation,

maintenance, and protection of the communications tower and the microwave building facility.

(C) Any other terms and conditions the Secretary considers appropriate to protect the interests of the United States.

PURPOSE OF THE BILL

The primary purpose of H.R. 2204 is to authorize funds for the United States Coast Guard for fiscal years 1998 and 1999. Funding is authorized for the following accounts within the Coast Guard's budget: Operations and Maintenance; Acquisition, Construction and Improvement; Research and Development; Retired Pay; Alteration of Bridges; and Environmental Compliance.

This bill also:

- Sets end-of-year strength levels for active duty military personnel and establishes military training levels;

- Removes the \$15,000 cap on severance pay for regular Coast Guard warrant officers;

- Allows the Commandant of the Coast Guard to provide for the honorary recognition of individuals and organizations that significantly contribute to Coast Guard programs, missions, or operations;

- Amends the Ports and Waterways Safety Act, and subtitle II of title 46, United States Code, to extend the territorial seas for the purposes of these laws from three to 12 nautical miles from shore;

- Establishes a new civil penalty of \$1,000 for a person who interferes with the safe operation of a vessel;

- Amends title 46, United States Code, to enhance the effectiveness of the Coast Guard Vessel Identification System;

- Requires the Secretary of Transportation to sell the Coast Guard Reserve Training Facility in Jacksonville, Florida;

- Waives certain U.S. coastwise trade laws for various vessels;

- Authorizes the Secretary of Transportation to convey the United States Coast Guard Recreation Facility in Nahant, Massachusetts, to the town of Nahant, Massachusetts;

- Deems the Bridge Street Liftbridge in Philadelphia, Pennsylvania, to be an obstruction to navigation;

- Requires that vessels engaged in oil spill response maintain oil spill financial responsibility at the level required for vessels that are not tank vessels;

- Authorizes the Secretary of Transportation to convey the property comprising the Long Branch Rear Range Light in Jacksonville, Florida, to Jacksonville University;

- Recognizes the community of Grand Haven, Michigan as "Coast Guard City, USA"; and

- Authorizes the Secretary of Transportation to convey the Coast Guard Communication Station Boston Marshfield Receiver Site in Massachusetts to the Town of Marshfield, Massachusetts.

BACKGROUND

The United States Coast Guard, established in 1915 as part of the Department of the Treasury, is responsible for performing Federal functions that trace their beginnings back to the founding of

this country. The Coast Guard assumed the duties of five previously established agencies: the Lighthouse service, established in 1789; the Revenue Cutter Service, established in 1790; the Steamboat Inspection Service, established in 1838; the Life-Saving Service, established in 1848; and the Bureau of Navigation, established in 1884.

The Coast Guard remained a part of the Department of Treasury until 1967, when it was transferred to the newly created Department of Transportation.

Today's Coast Guard has primary responsibility for the promotion of safety of life and property at sea; the enforcement of all applicable Federal laws on, over, and under the high seas and United States waters; the maintenance of aids to navigation, the protection of the marine environment; icebreaking activities; and the safety and security of vessels, ports, waterways, and their related facilities.

As a military service and a branch of the Armed Forces, the Coast Guard also maintains a readiness to operate as a specialized service in the Navy upon the declaration of war or when the President directs. The Coast Guard has defended our Nation in every war since 1790, including the 1990–1991 conflict in the Persian Gulf.

The Coast Guard's legal responsibilities have expanded enormously over the past 20 years. Many of the laws the Coast Guard administers are codified in subtitle II of title 46, United States Code. Beyond the broad responsibilities described above, the Coast Guard enforces the following laws:

The Anti-Drug Abuse Acts of 1986 and 1988, which expand the Coast Guard's role in waterborne and airborne marine drug interdiction.

The Maritime Drug Law Enforcement Act, which authorizes the Coast Guard to search and seize any vessel that is manufacturing, distributing, or possessing with the intent to manufacture or distribute, any controlled substance in the United States.

The Deepwater Port Act of 1974, which directs the Coast Guard to oversee offshore oil port operation and construction.

The Port and Waterways Safety Act of 1974, which directs the Coast Guard to ensure port and merchant vessel safety.

The Port and Tanker Safety Act of 1978, which authorizes the Coast Guard to inspect foreign tankers, evaluate crew standards, and monitor offshore lightering activities in U.S. waters.

The Omnibus Diplomatic Security and Antiterrorism Act of 1986, which requires the Coast Guard to maintain and improve port, harbor, and coastal facilities security.

The Federal Boating Safety Act of 1971, which authorized the Coast Guard to prescribe standards for the manufacture of pleasure boats and associated equipment.

The Recreational Boating Safety and Facilities Improvement Act of 1980, which established the Recreational Boating and Facilities Improvement Fund, which the Coast Guard uses to promote recreational boating safety and access through a state grant program.

The Federal Water Pollution Control Act of 1972 (popularly known as the Clean Water Act), which requires the Coast Guard to regulate discharges of oil and sewage from vessels.

The Oil Pollution Act of 1990 (POA 90), which expands the Coast Guard's authority over oil spills, and establishes a comprehensive regime for oil spill compensation, liability, response, and research and development.

The Marine Protection, Research and Sanctuaries Act of 1972, which gives the Coast Guard enforcement authority over ocean dumping and marine sanctuaries.

The Act to Prevent Pollution from Ships, which requires the Coast Guard to administer and enforce international environmental pollution agreements through vessel and port certification and inspections.

The Marine Plastic Pollution Research and Control Act of 1987, which requires the Coast Guard to enforce prohibitions on the disposal of plastic materials and other garbage at sea and to establish regulations for vessel wastes management.

The Hazardous Materials Transportation Act, which requires the Coast Guard to enforce safety standards for the waterborne transportation on hazardous materials.

The Intervention on the High Seas Act, which authorizes the Coast Guard to intervene in situations involving pollution discharges on the high seas that pose a threat to the United States and its territorial waters.

The Fishery Conservation and Management Act of 1976, which assigns joint responsibility to the Coast Guard and the National Marine Fisheries Services to enforce U.S. Fisheries laws within the 200-mile Exclusive Economic Zone of the United States.

The Outer Continental Shelf Lands Act Amendments of 1978, which authorizes the Coast Guard to enforce environmental and safety regulations governing oil and gas development activities on the outer Continental Shelf.

The National Invasive Species Act of 1996, which amended the Nonindigenous Aquatic Nuisance Prevention and Control Act of 1990 to strengthen and improve the nation's response to threats posed by aquatic nuisance species.

COMMITTEE ACTION

On March 19, 1997, the Subcommittee on Coast Guard and Maritime Transportation held a hearing on the Clinton Administration's fiscal years 1998 and 1999 budget requests for the United States Coast Guard and the fiscal year 1998 budget request for the Federal Maritime Commission. The Subcommittee received testimony from Admiral Robert Kramek, Commandant, U.S. Coast Guard; Eric A. Trent, Master Chief Petty Officer, U.S. Coast Guard; Everette L. Tucker, Jr., Commodore, U.S. Coast Guard Auxiliary; Captain Fred R. Becker, Jr. (Ret.), Reserve Officers Association of the U.S.; Cornel Martin, Corporate Vice President, American Classic Voyages, and Chairman of the Legislative Committee for the Passenger Vessel Association; John Schneider, President, National Marine Bankers Association; and The Honorable Harold J. Creel, Jr., Chairman, Federal Maritime Commission.

In his testimony, Admiral Kramek explained the importance of the Coast Guard's Maritime Safety, Maritime Law Enforcement, Marine Environmental Protection, and National Security missions. Admiral Kramek stressed the importance of the Coast Guard's

drug interdiction mission and detailed the success of the Coast Guard's Operation FRONTIER SHIELD which denied drug smugglers the transit routes into Puerto Rico. As part of this operation, the Coast Guard, in coordination with other law enforcement agencies, seized seven vessels, arrested 19 people, seized over 13,000 pounds of cocaine, and disrupted the delivery of an additional 17,000 pounds of cocaine.

Admiral Kramek's testimony also explained the President's FY 1998 budget request. The request represents an increase in the Coast Guard's budget of less than two percent over the FY 1997 appropriated level. The Admiral also discussed the other parts of the President's Coast Guard legislative program. This proposal included removing the Coast Guard's Chief Warrant Officer severance pay cap, giving the Coast Guard enhanced tools to attract minority candidates to the Coast Guard Academy, using rental automobiles for funerals of eligible retired personnel, improving procedures for managing the Coast Guard Supply Fund, allowing the expenditure of funds for programs that formally recognize individuals and organizations who make significant contributions to the Coast Guard, changing the procedures for the release of marine casualty reports, and extending the territorial seas of the United States from three to 12 miles under certain Federal laws.

Master Chief Petty Officer Eric Trent, who represents the 34,000 Coast Guard reserve and active-duty enlisted personnel, stated that the biggest issue affecting enlisted quality of life involves the increased workload of enlisted Coast Guard personnel. The enlisted Coast Guard force has decreased more than 11 percent, or 3,500 members, in the past three years forcing some enlisted members to regularly work 70 to 90 hours a week. The Master Chief later discussed what the Coast Guard has done in an attempt to mitigate this increased workload such as allowing members who have been deployed more than 60 consecutive days during the previous year, or members denied leave due to mission requirements, to carry forward up to 90 days of leave at the end of the fiscal year and delegating more award authority to Commanding Officers to improve the timeliness and benefits of personal recognition. Master Chief Trent also stressed the importance of Coast Guard parity of benefits to the other armed forces.

National Commodore Everette L. Tucker, Jr., testified about the vital function performed by the 34,000 volunteers who serve in the U.S. Coast Guard Auxiliary. The Commodore thanked the Subcommittee for supporting legislation during the last Congress which grants the Commandant of the Coast Guard broad authority in using the Auxiliary, while providing adequate liability protection to Auxiliary members during the performance of their duties. The Commodore also discussed the Auxiliary's new program targeting the safety of rental personal watercraft. Finally, he stated that the Coast Guard Auxiliary is an extremely cost-effective resource for the Coast Guard.

Captain Fred R. Becker, Jr. (Ret.), from the Reserve Officers Association (ROA) of the U.S., expressed his organization's strong support for the FY 1998 authorization request to maintain the Coast Guard Selected Reserve end-strength at the 8,000 level. However, he also expressed the ROA's serious concerns that the size

of the Coast Guard Reserve is only 7,600 members. Captain Becker attributes the end-strength shortfall to a failure to devote the requisite assets to recruiting Coast Guard Reservists. The ROA believes that the Coast Guard active duty force must step forward and take a pro-active leadership role and direct responsibility for officer and enlisted Reservists including important recruiting activities.

Mr. Cornel Martin, representing the Passenger Vessel Association, expressed his concerns about the long range cost of the Coast Guard's alternative compliance programs. Mr. Martin also expressed his support of the Coast Guard's Streamlined Inspection Program and the Partnership Action Team. He requested that the Subcommittee include provisions in the Coast Guard Authorization Act of 1997 which would make activities by third parties, who endanger the safe operation of a commercial passenger vessel carrying passengers for hire, a Federal offense. He also suggested that the Subcommittee direct the Coast Guard to develop a data gathering and management system which segregates marine incidents by those which are directly linked to the operation of a documented commercial passenger vessel.

Mr. John Schneider, president of the National Marine Bankers Association, discussed his organization's support for enhancing the effectiveness of the Vessel Identification System which is currently being developed by the U.S. Coast Guard. The Coast Guard is in the prototype stage of developing a Vessel Identification System, and has been working closely with the system's potential users, including marine law enforcement officials and marine bankers. The Coast Guard plans to begin operation of the information system in four pilot states in the Fall of 1997.

Federal Maritime Commission Chairman Harold J. Creel, Jr. discussed the President's request for the Commission. The FY 1998 budget request for the Federal Maritime Commission is \$14.3 million, a \$300,000 increase over the FY 1997 appropriated level. Chairman Creel discussed the Commission's authority to level sanctions and other measures to break down discriminatory barriers to U.S. companies by foreign countries. He explained that on February 26, 1997, the Commission issued a final rule imposing fees of \$100,000 per voyage on Japanese liner operators, effective April 14, 1997, in response to unfavorable practices in Japanese ports. The Commission found a series of restrictive conditions involving the dominance of the harbor services industry in Japan by the Japan Harbor Transportation Association (JHTA), an association of Japanese waterfront employers. As a result of these conditions, U.S. carriers and U.S.-Japan trade are burdened with unreasonably high costs and inefficiencies.

The Commission also found unfavorable conditions with regard to the Government of Japan's licensing requirement for terminal operators and stevedoring companies, which blocks new entrants from entering those industries in Japan and ensures that the stevedoring market remains entirely Japanese. Because of the restrictive licensing requirement, U.S. carriers cannot perform stevedoring or terminal operating services for themselves or third parties in Japan, forcing them to submit their shoreside operations to JHTA control. Chairman Creel testifies that, in contrast, Japanese

carriers (or their related companies or subsidiaries) currently perform stevedoring and terminal operating services in Japan and the United States. Chairman Creel also stated that he hoped that decisive action by the Japanese Government will bring about meaningful and comprehensive reforms in the Japanese port services market.

Finally, Chairman Creel discussed the Commission's concerns about the developing maritime policies of the People's Republic of China. The Chinese Government recently began implementing strict new rate filing and regulation rules, through the newly founded "Shanghai Shipping Exchange" on shipping lines in the non-U.S. trades. Chairman Creel stated that the Commission is concerned that the Chinese Government may extend this non-market-oriented approach to shipping regulation to the China-U.S. trades. He also explained that the Commission is concerned that rates charged by U.S. operators may be subject to review and disapproval by the same Chinese Government that owns and operates the China Overseas Shipping Company (COSCO), one of the world's largest and fastest growing liner companies. Chairman Creel stated that the Commission intended to use all available resources to ensure that Chinese practices do not have a discriminatory or destabilizing effect on U.S. shipping and commerce.

On July 16, 1997, the Subcommittee on Coast Guard and Maritime Transportation met to mark up a Discussion Draft of the Coast Guard Authorization Act of 1997. The Subcommittee considered one amendment to the Discussion Draft which was offered by Mr. Clement. The amendment prohibits vessels detained by the Secretary of Transportation for a violation of an international safety standard from carrying U.S. Government-sponsored cargoes for one year. The provision also prohibits all vessels owned by a company that has had more than one vessel detained by the Secretary from carrying U.S. Government-sponsored cargoes for one year. The Clement amendment was agreed to by voice vote. The Discussion Draft bill, as amended, was ordered reported to the full Committee by voice vote in the presence of a quorum.

The Discussion Draft bill, as amended by the Subcommittee, was introduced as H.R. 2204 by Chairman Shuster on July 21, 1997, with Mr. Oberstar, Mr. Gilchrest, and Mr. Clement as cosponsors. The bill was referred to the Committee on Transportation and Infrastructure.

On July 23, 1997, the Transportation and Infrastructure Committee met to consider H.R. 2204. The Committee considered six amendments. Mr. Oberstar offered an amendment to require that the concept evaluation for a replacement vessel for the Coast Guard icebreaker *Mackinaw*, which is authorized in section 101(2)(A) of the bill, be transmitted to Congress not later than April 1, 1998. The Oberstar amendment was agreed to by voice vote.

Mr. Gilchrest offered an amendment to strike section 403(b) of H.R. 2204 which would have granted a U.S. coastwise trade waiver to the vessel *Juan Patricio*. The Gilchrest amendment was agreed to by voice vote.

Mr. Metcalf offered an amendment to deem the coastwise qualified vessel *Sunmar Sky* to have been constructed in the United States. The Metcalf amendment was agreed to by voice vote.

Mr. McGovern offered an amendment to convey the Coast Guard Communication Station Boston Marshfield Receiver Site in Massachusetts to the Town of Marshfield, Massachusetts. The McGovern amendment was agreed to by voice vote.

Mr. Ehlers offered an amendment to recognize the community of Grand Haven, Michigan, as "Coast Guard City, USA". The Ehlers amendment was agreed to by voice vote.

Mr. Taylor offered an amendment to strike five paragraphs of section 403(a) of the bill which grant waivers of U.S. coastwise trade laws for specific vessels. The Taylor amendment was defeated by a show of hands of 40 to 11.

H.R. 2204, as amended, was ordered reported to the House of Representatives by a voice vote in the presence of a quorum.

SECTION BY SECTION ANALYSIS OF H.R. 2204

SECTION 1. SHORT TITLE

This section states that the Act may be cited as the Coast Guard Authorization Act of 1997.

Title I—Authorizations

SECTION 101. AUTHORIZATION OF APPROPRIATIONS

The Administration requests approximately \$3.9 billion for FY 1998 to fund Coast Guard activities and programs, of which approximately \$3.8 billion request an authorization. This funding level is approximately \$150 million more than the amounts appropriated for these programs in FY 1997.

Section 101 of this bill authorizes \$3.9 billion for Coast Guard activities in FY 1998, which is the level requested by the President with an additional \$70 million for Coast Guard drug interdiction resources, \$2 million for the concept design of the replacement for the Coast Guard Lakes icebreaker MACKINAW, and \$6.3 million to correct a discrepancy in an earlier calculation of Coast Guard retired pay. Section 101 also authorizes \$4.05 billion for Coast Guard programs in FY 1999, an increase over the FY 1998 authorized level for drug interdiction resources and other Coast Guard operating costs.

Operating expenses

Section 101(1) of H.R. 2204 authorizes \$2.79 billion for Coast Guard operating expenses for fiscal year 1998. This is the amount requested by the President, with an additional \$50 million for illegal drug interdiction operations. Section 101 also authorizes \$2.85 billion for Coast Guard operating expenses for fiscal year 1999. This amount includes the level authorized for FY 1998, plus an additional \$15 million in Operating Expenses for drug interdiction activities, and \$49 million for pay increases and other Coast Guard operating costs.

The President's budget request for Coast Guard operating expenses for FY 1998 authorized by this bill is \$2.74 billion, an in-

crease of \$122.3 million over the FY 1997 appropriated level, to fund continued operation and maintenance of a wide range of multi-mission vessels, aircraft, shore units, and aids-to-navigation. The operating expense request includes a transfer of \$36 million from the Office of the Secretary for decentralization of General Services Administration (GSA) rent, and net funding increases of \$86.3 million (3.3%) for certain programs. Increases include funds for the FY 1998 pay raise of 2.8 percent, other cost of living allowances, and operational cost increases including funds to operate new Coast Guard cutters, aircraft, and facilities. Specifically, the request for Coast Guard activities and programs contains increases of \$11.3 million to operate new cutters and facilities, \$24.6 million for workforce support initiatives, and \$34.3 million in Coast Guard drug interdiction activities. The drug interdiction initiatives include increased deployments of helicopters aboard high endurance cutters and medium endurance cutters, increased patrol hours for shore-based aircraft, additional patrol boat maintenance to support increased patrol hours, reactivation of two jet intercept aircraft, satellite communications for patrol boats, and increased intelligence gathering and training.

The Administration's FY 1998 proposal also includes operating expense reductions of \$54.8 million for other programs. The reduction is composed of \$23.8 million in Coast Guard program reductions and \$31 million in additional streamlining initiatives, beyond those sustained in FY 1997. These reductions include: (1) the annualization of part-year savings arising from the reduction of about 850 military and civilian full-time equivalent (FTE) positions in FY 1997; (2) decommissioning of five buoy tenders; (3) additional savings from the move from Governors Island; (4) additional logistics and management savings; and, (5) savings from the completion of a comprehensive reorganization of the structure at Coast Guard Headquarters, district, and field offices.

The Committee is concerned that the level of Coast Guard drug interdiction has fallen well below the level necessary to effectively fight the War on Drugs. The Committee believes that the \$34 million increase in drug interdiction resources requested by the President is not adequate to respond to the alarming rise in teenage drug use in this country. H.R. contains an increase of approximately \$100 million over fiscal years 1998 and 1999, which will restore the resources cut from the Coast Guard interdiction mission in the early 1990's.

The Committee is convinced by recent evidence that effective drug interdiction raises the street price of drugs, driving drug use down. Federal programs that get at the problem before the drugs arrive in this country by sea and air routes only account for about twelve percent of the President's Federal drug spending budget of about \$15 billion. Working with foreign nations, these expenditures result in the seizure of about a third of the world's illicit drug production. Some experts doubt that relationship exists between drug seizures and price on the street, a correlation expected from the law of supply and demand. To examine this issue, the President commissioned a study about the effectiveness of cocaine interdiction from the Institute for Defense Analysis. The study, released this January, found a clear, strong link between supply disruptions

and rising street prices for cocaine in the United States. When street prices rise, use falls, especially among casual users. The Committee believes that the results of this study are especially significant, especially as we focus on ways to eliminate teenage drug use. The Committee has concluded that the level of drug interdiction provided in this bill will ensure that sufficient Federal resources are devoted to this valuable mission to fight and win the War on Drugs.

Acquisition, construction, and improvements

Section 101(2) of this bill authorizes the President's 1998 request for the Coast Guard's acquisition, construction, and improvement account, with an additional \$20 million for the acquisition of additional drug interdiction assets and \$2 million for the redesign work for the Coast Guard Great Lakes Icebreaker *Mackinaw*. This section also authorizes \$440 million for FY 1999 to provide additional drug interdiction assets and \$11 million for the *Mackinaw* replacement project.

The Committee is pleased that the Coast Guard is ready to enter the concept evaluation phase of determining the best method of providing long-term heavy icebreaking capability on the Great Lakes, consistent with the Commandant's commitment to this critical service. Despite a half-century of superior performance, the 53-year old *Mackinaw* either needs to be replaced or re-engined. This evaluation will consider which of the following four options will provide the best heavy icebreaking capability: (1) re-engine and retrofit the *Mackinaw*; (2) build a new icebreaker to the *Mackinaw*'s specifications and capabilities; (3) build a new multi-mission icebreaker that can break heavy ice in the winter and tend aids-to-navigation in the Great Lakes during the other seasons; or (4) strengthening the new *Juniper* class buoy tender to also break heavy ice. Given the icebreaking experiments that have been conducted to date, the Committee does not believe that *Juniper* class buoy tenders, even with ice strengthening, have the capability to meet the heavy icebreaking needs of the Great Lakes. The Great Lakes icebreaking mission is vital to supplying the U.S. steel industry, the automobile industry, public utilities, and State governments with coal, raw materials, salt, during the beginning and end of the Great Lakes shipping season. Given the long lead-time it takes to build a new ship, this project must not be delayed another year. Construction of a multi-mission heavy icebreaker will decrease the Coast Guard's operating cost by having a vessel that can carry out important missions on a year-round basis and by having lower personnel levels on the vessel than on the *Mackinaw*. Therefore, the Committee has authorized \$2 million for fiscal year 1998 for the concept evaluation phase and \$11 million in fiscal year 1999 to begin the actual engineering and design of the replacement vessel. The concept evaluation is required to be submitted to Congress by April 1, 1998 to ensure that sufficient information is available to provide funding for the engineering and design phase of this project in fiscal year 1999.

The Administration's request for Coast Guard acquisitions for FY 1998 authorized by this bill is \$379 million, a \$4.2 million (1.1%) increase over the amount appropriated in FY 1997, to build and

improve the Coast Guard's vessel, aircraft and boat fleets, shore facilities, and information management resources. The FY 1998 request includes \$88 million for the production of replacement coastal and seagoing buoy tenders and small buoy servicing boats, \$37.3 million for replacement of coastal patrol boats, \$21.6 million for the 47-foot motor lifeboat replacement project, \$26.4 million for aircraft replacement and maintenance, and \$69 million for the improvement and construction of shore facilities and aids to navigation. The budget also calls for spending \$49.7 million on the Coast Guard's communications and information processing systems, including a Fleet Logistics System, a Ports and Waterways Safety System, and the Marine Information for Safety and Law Enforcement System. Approximately \$47 million is requested to fund 675 military and civilian acquisition personnel.

Also authorized by this bill is the Administration's proposal to spend \$5.5 million during FY 1998 on the new Ports and Waterways Safety System (PAWSS). PAWSS is a latest version of the project formerly known as Vessel Traffic Service (VTS) 2000, which was terminated last year. The Committee supports the process that the Coast Guard has employed to develop the PAWSS project. By working closely with industry stakeholders in developing a general consensus, the Coast Guard has determined that Automated Information System (AIS) technology should be the foundation on any future VTS system. The AIS technology employs on-board transponders, electronic charts, and Differential Global Positioning System technology to provide direct, vessel-to-vessel, voiceless electronic data communications. The Committee strongly believes that this technology will significantly improve navigational safety, not just in select VTS target ports, but throughout the navigable waters of the United States. The Committee encourages the Coast Guard to continue working with its PAWSS stakeholders, during the development and implementation of this national system, to ensure that it provides the greatest amount of navigational and environmental safety for the broadest geographical area at the lowest cost to the American taxpayers.

Research and development

Section 101(3) authorizes \$19.5 million for Coast Guard research and development for FY 1998 and \$19 million for FY 1999. This is the level requested by the President for Coast Guard Research and Development, with an additional \$500,000 in FY 1998 to accelerate the Coast Guard's ongoing fuel cell research efforts.

Retired pay

Section 101(4) authorizes \$652 in FY 1998 and \$692 in FY 1999 for Coast Guard retired pay. These funds provide annuities and medical care for retired military personnel and former Lighthouse Service members, their dependents, and survivors.

Alteration of bridges

The Coast Guard's alteration of bridges program provides the Federal government's share of the costs for altering or removing bridges determined to be obstructions to navigation. Under the Truman-Hobbs Act of 1940, (33 U.S.C. 511 et seq.), the Coast

Guard shares, with the bridge owner, the cost of altering railroad and publicly-owned highway bridges which obstruct the free movement of vessel traffic.

The Administration's Intermodal Surface Transportation Efficiency Act (ISTEA) reauthorization proposal recommends that the funding for the alteration of obstructive highway and railroad bridges be provided by the Federal Highway Administration. Under the proposal, the Secretary would make available \$17 million in FY 1998 for the alteration of two railroad and four highway bridges which have been determined to be unreasonable obstructions to navigation.

Section 101(5) of H.R. 2204 authorizes \$17.3 million in FY 1998 and \$20 million in FY 1999 for the Coast Guard's current bridge program. The FY 1998 authorization includes funds for the removal of the Sooline and Milwaukee Road Swing Bridge in Oshkosh, Wisconsin.

Environmental compliance

Section 101(6) authorizes \$21 million for FY 1998 to mitigate environmental problems resulting from the operation of former and current Coast Guard facilities, and to ensure that Coast Guard facilities are in compliance with applicable environmental laws and regulations. This is the amount requested by the President, and is \$1 million below the level appropriated in FY 1997. Section 101 further authorizes \$21 million for environmental compliance and restoration in FY 1999.

Other matters

Merchant mariners' documents

The Committee is concerned with how the Coast Guard is implementing the Merchant Mariners' Document (MMD) requirements, particularly in the Great Lakes area. Although there is a question as to whether MMDs are necessary for personnel in positions other than those relating to navigation and safety, the Committee does not believe that legislation is necessary, at this time, to address the problems resulting from delays in issuing MMDs. Rather, the Committee believes that an administrative solution proposed by the Coast Guard should first be attempted.

Current law requires all employees working onboard U.S. vessels (except those operating on inland rivers) to have MMDs (46 U.S.C. § 8701). The Committee believes that the recent sharp increase in these non-navigation employees working onboard vessels on the Great Lakes has overtaxed Coast Guard resources and has resulted in a huge backlog in the issuance of statutorily required MMDs to these personnel and to merchant mariners serving aboard other commercial vessels. This backlog, especially at the Coast Guard's Regional Examination Center in Toledo, Ohio, has led to serious hiring and compliance problems for both employers and employees.

At present, processing time for an entry level MMD, for which the Coast Guard assesses a \$35 user fee, is approximately four to six weeks from the date of application to receipt of the temporary MMD. This places an undue hardship on employees who cannot afford to wait up to six weeks to begin to work and on employers who

must fill positions in a timely manner to operate effectively. To expedite the processing of this increased workload the Coast Guard is issuing temporary “MMD Letters” in lieu of issuing a permanent, laminated card. Even so, issuance of a temporary MMD letter still takes four to six weeks. While these temporary MMD letters enable employees to work onboard a casino vessel (but no other vessel), the letters have created an administrative burden for employers, employees, and also the Coast Guard, which checks for compliance with MMD requirements during quarterly, annual, and random Coast Guard inspections. The letters also have created a compliance problem for employers stemming from the Coast Guard’s interpretation of the statutory requirement for an individual to “have” an MMD.

The Coast Guard has interpreted the statutory requirement for an individual to “have” an MMD to mean having the MMD “physically on the person” and has threatened civil penalties for failure to do so. The Committee believes that this interpretation is incorrect—MMDs need not be carried on one’s person to comply with the law. Regardless, a permanent MMD typically would be worn with an employee’s identification badge and thus would be readily available for verification. However, because permanent MMD cards are not being timely issued, the Coast Guard has taken the position that the letters (which cannot be affixed to an employee’s identification badge) must be carried on the employee’s person or otherwise kept on file by the employers so that the Coast Guard can verify that the employees have MMDs. Carrying a letter on one’s person is often difficult for onboard personnel as most casino uniforms do not have pockets due to casino regulations and the failure to do so should not subject an individual to enforcement action. Further, by law, the Coast Guard, not the employer, is required to maintain records on each MMD issued (46 U.S.C. § 7319). Thus, the Coast Guard may not impose or threaten to impose civil penalties for failure to have an MMD on one’s person. Penalties may only be imposed if the individual has not properly obtained an MMD.

After numerous discussions with the Coast Guard, the Committee intends to give the Coast Guard the opportunity to solve the MMD problem administratively. First, the Coast Guard will ensure that temporary MMDs are issued within two to three days of application. Second, the Coast Guard will establish a system to eliminate the backlog currently at the Regional Examination Center in Toledo, Ohio. This includes eliminating the backlog in MMD applications and in issuing permanent MMD cards. Third, the Coast Guard will continue its efforts to develop long-term solutions relating to problems with licensing and documentation procedures. The Committee expects this administrative solution to be fully and quickly implemented. The Committee, however, will monitor the Coast Guard’s progress and then determine whether a legislative solution is necessary and appropriate.

Vegetable oil regulatory relief

In enacting the Edible Oil Regulatory Reform Act (P.L. 104–55), Congress intended that Federal agencies recognize the differences between animal fats and vegetable oils from other oils and provide regulatory relief from the burdens of various environmental stat-

utes, such as the Oil Pollution Act of 1990 and the Federal Water Pollution Control Act. Those statutes were enacted to regulate petroleum oil and other toxic oils and hazardous substances. Because of the broad definition of oil those statutes apply to animal fats and vegetable oils as well. The Edible Oil Regulatory Reform Act was enacted to clarify Congressional intent that agencies responsible for the regulation of animal fats and vegetable oils, under those laws, should consider and recognize the differences in these oils and structure different regulatory requirements based on those differences. The Act did not provide an exemption for animal fats and vegetable oils from any laws, but merely clarified Congressional intent that the agencies exercise common sense in prescribing regulations that apply to these oils.

Last year, because the Coast Guard had taken no regulatory action to implement the requirements of the Edible Oil Regulatory Reform Act, Congress included a sense of Congress in the Coast Guard Authorization Act of 1996 (P.L. 104-324, Sec. 1130) which specifically provided that (1) agencies must recognize differences between animal fats and vegetable oils and other oils in regulations and (2) the Secretary of Transportation must submit annual reports to Congress on the Coast Guard's differentiation efforts. Despite Congress' repeated efforts, the Coast Guard has still not developed and finalized regulations under the OPA 90-mandated oil spill response planning requirement that properly recognize the differences between animal fats and vegetable oils with other oils.

The Coast Guard has been working with industry to develop regulations that meet the requirements of both OPA 90 and the Edible Oil Regulatory Reform Act. On March 14, 1997, the industry filed with the Coast Guard a petition for rulemaking, with a draft regulation that would satisfy Congressional intent. A response was received on June 3, 1997, which stated that the Coast Guard "agreed, in concept, to revisit the issue" of animal fat/vegetable oil differentiation. Although the Coast Guard letter indicated that a rulemaking would be initiated "without delay," a Notice of Proposed Rulemaking is not expected to be published until later in the Fall of 1997, with a final rule not being issued until after consideration of the comments received on the docket. While the Coast Guard should be complimented for the work it has done to date, a prolonged rulemaking process does not serve the interests of Congress, the industry, or the environment. The Coast Guard is strongly urged to work expeditiously to finalize regulations that meet the clear intent of Congress as expressed in the Edible Oil Regulatory Reform Act and the Coast Guard Authorization Act of 1996.

SECTION 102. AUTHORIZED LEVELS OF MILITARY STRENGTH AND TRAINING

This section authorizes a Coast Guard end-of-year strength of 37,994 active duty military personnel at the end of FY 1998 and 38,038 active duty military personnel at the end of FY 1999.

The Committee notes the unique capabilities of the Coast Guard Reserve and the value of the Coast Guard Reserve to augment the active duty Coast Guard and the Department of Defense in times of national emergency, and is concerned that the Coast Guard Re-

serve's end-strength has fallen significantly below the authorized and appropriated levels for FY 1996 and FY 1997.

Although the Coast Guard has made an effort to recruit Reservists, it has recruited only 65 percent of the authorized Reserve force in FY 1996 and only 32 percent of its month Reserve goals in FY 1997. In addition, the Coast Guard has not applied the existing bonus programs to recruit Reservists at authorized levels.

The Committee directs that a report on the Coast Guard's Reserve recruiting efforts be submitted to the Committee, no later than January 1, 1998, addressing the difficulties encountered in recruiting Reservists and recommending any additional initiatives that may require Congressional action to facilitate the recruitment of Coast Guard Reservists at authorized levels.

Title II—Coast Guard Management

SECTION 201. REMOVAL OF CAP ON WARRANT OFFICER SEVERANCE PAY

This section removes the \$15,000 cap on severance pay for regular Coast Guard warrant officers. Currently, the severance pay for other regular Coast Guard officers, Coast Guard enlisted members, and all members of the Department of Defense (DOD) services, including DOD warrant officers, is based on a formula consisting of rank and years of service, with no explicit cap. This provision will provide for adequate separation compensation for Coast Guard warrant officers, as well as provide Coast Guard warrant officers with equity and parity within the Coast Guard and with the other military services.

SECTION 202. AUTHORITY TO IMPLEMENT AWARDS PROGRAMS

Section 202 of this bill allows the Commandant of the Coast Guard to provide for the honorary recognition of individuals and organizations that significantly contribute to Coast Guard programs, missions or operations. Specifically, this section allows the Commandant to purchase nominal award items, authorize other means of honorary recognition, and pay for reasonable ceremony and presentation expenses.

Title III—Marine Safety

SECTION 301. EXTENSION OF TERRITORIAL SEA FOR CERTAIN LAWS

This section amends the Ports and Waterways Safety Act, and subtitle II of title 46, U.S. Code, by extending the territorial sea for these laws from three to 12 nautical miles from shore. Presidential Proclamation 5928 of December 27, 1988, issued by President Reagan, extended the territorial seas to 12 nautical miles to advance important U.S. national security interests. This section conforms the application of the territorial seas in these two domestic maritime laws with Presidential Proclamation 5928.

Section 301 of this bill expands the jurisdiction of the Ports and Waterways Safety Act (PWSA) (33 U.S.C. 1222 et seq.) and subtitle II of title 46 by broadening the scope of application of these laws from three to 12 nautical miles as measured from the baselines of the United States. This is accomplished by making definition changes to the applicable statutes which amend the terms "navi-

gable waters” and “territorial sea” to include the definition of “territorial sea” contained in Presidential Proclamation 5928 of December 27, 1988. Presidential Proclamation 5928 was issued by President Reagan and extended the territorial sea of the United States from three nautical miles to 12 nautical miles, although only for international purposes. This action was consistent with the now widely ratified 1982 United Nations Convention on the Law of the Sea which allows States (nations) to establish a territorial sea not to exceed 12 nautical miles. However, the Proclamation specifically disclaimed any intention to “extend or otherwise alter existing Federal or State law or any jurisdictional rights, legal interests, or obligations derived therefrom.” Prior to the Proclamation, the United States claimed a three nautical mile territorial sea over which it exercised sovereignty. With the Proclamation, our sovereignty was extended to 12 nautical miles. The disclaimer, however, appears to be a recognition that while the President has the authority to expand our territory and sovereignty, only Congress has the authority to exercise legislative jurisdiction. Thus, to date, each of the laws being amended here have been enforced only to the limit of the three nautical mile territorial sea. Important environmental protection and safety matters would be advanced if the Coast Guard had authority to enforce these laws out to 12 nautical miles.

Recent events have emphasized the need for expanding the scope of application of various laws primarily enforced by the U.S. Coast Guard. Congress has indicated that it wants the Coast Guard to board potentially unsafe foreign vessels before they enter our ports and harbors. Extension of the U.S. Coast Guard’s authority to 12 nautical miles, under the Ports and Waterways Safety Act and other shipping laws under subtitle II of title 46, will allow the Coast Guard to board substandard foreign vessels farther from our shore than under current authority. An expanded territorial area would improve our ability to intercept maritime traffic when necessary for reasons of safety or environmental protection. It is emphasized that these amendments do not impose additional or new requirements for the maritime community. Rather, the scope of application of existing requirements is simply being expanded from three to 12 nautical miles.

Congress exercised similar legislative jurisdiction when it passed the Antiterrorism and Effective Death Penalty Act of 1996. In that Act, Congress expanded the territorial sea out to 12 nautical miles for purposes of criminal jurisdiction. Similarly, with regard to the two laws referenced above, the definition changes constitute a further exercise of legislative jurisdiction extending coverage out to 12 nautical miles in a manner that is consistent with the Presidential Proclamation and generally accepted international law. It is further noted that each of the two laws being amended contain criminal provisions. It is inconsistent to have the ability to exercise criminal jurisdiction out to 12 nautical miles for the criminal laws included by Congress in 1996, but not have the authority to issue vessel movement orders which themselves are subject to criminal sanctions under the laws we are proposing to amend in this section.

Subsection (a) of section 301 of this bill adds a new definition of “navigable waters of the United States” to the definition sections,

section 102, of the Ports and Waterways Safety Act. This new definition will indicate that the navigable waters extend to 12 nautical miles from the baseline by including in this definition the definition of "territorial sea" as set forth in Presidential Proclamation 5928 of December 27, 1988. This will enable the Coast Guard to establish vessel operating requirements including vessel traffic systems, for all U.S. and foreign vessels within the 12-mile territorial sea. This will also clarify the area in which the Captain of the Port can direct a vessel to operate or anchor, establish safety zones to protect the navigable waters, protect the nation from terrorism, and investigate vessel casualties. In addition, the Coast Guard will be able to keep out of the expanded territorial sea vessels with a history of accidents, pollution incidents, or serious repair problems and vessels that discharge oil or hazardous substances or that are improperly manned. Currently, these substandard vessels may approach as close as three nautical miles to our coast before they can be instructed not to enter our waters. This additional area of legislative jurisdiction will enable the Coast Guard, through its Port State Control Program, to deal more effectively with substandard foreign flag vessels seeking to enter our ports.

Because of the Ports and Waterways Safety Act's application to just three nautical miles, the Coast Guard has, on occasion, been limited in its ability to take all necessary steps to ensure maritime safety in situations just off our coasts. For example, in 1995, two freight vessels, the N/V ENIF and the M/V ALEXIA collided four and one-half miles off the Louisiana coast. Unable to free themselves, the two vessels posed a threat to nearby offshore platforms. They also discharged bunker fuel that threatened the nearby coastline. While the Coast Guard responded, it had no authority to establish a safety zone to protect those involved in the operation. Instead, the Coast Guard was limited to simply issuing a Notice to Mariners which had no enforcement authority. In addition, the Coast Guard relied upon the Ports and Waterways Safety Act to investigate this marine casualty (primarily because it had no authority under subtitle II of title 46). The Coast Guard's authority to investigate this marine accident under the Ports and Waterways Safety Act was successfully challenged in District Court but this decision was subsequently reversed by the Circuit Court of Appeals. Had the Act clearly applied to all marine casualties within 12 nautical miles, this issue would never have arisen and this costly litigation would have been avoided. In addition, rescue operations similar to TWA Flight 800 that occur between three and 12 nautical miles will also benefit from the expanded scope of application of the Ports and Waterways Safety Act. By clarifying the Coast Guard's authority under the Ports and Waterways Safety Act, maritime safety and marine environmental protection will be enhanced.

Expanding the definition of navigable waters for purposes of the Ports and Waterways Safety Act will not affect innocent passage through our territorial sea or transit passage through the navigable waters of the United States which form part of an international strait.

Subsection (b) of section 301 of this bill amends subtitle II of title 46 to apply, unless specifically exempted as a result of an amendment in this subsection, the extended territorial sea to all the ves-

sel safety and shipping laws in subtitle II. These amendments do not impose any new or additional requirements but merely expand the application of current requirements from 3 to 12 nautical miles. Subtitle II covers negligent vessel operations, marine casualty investigations, manning of commercial vessels, and recreational boating safety programs. Expanding the application of subtitle II out to 12 nautical miles will enhance the Coast Guard's ability to fully implement its Port State Control Program. the specific amendments are discussed below.

Paragraph (1) inserts a new definition of "navigable waters of the United States" in section 2101 of title 46, United States Code. As amended, the term will include all waters of the 12 nautical mile territorial sea of the United States.

Paragraph (2) amends section 2301 of title 46 by declaring that "waters subject to the jurisdiction of the United States" include all waters of the 12 nautical mile territorial sea of the United States. This amendment expands the authority of the Coast Guard to control and assess civil penalties and criminal sanctions against persons operating foreign vessels negligently in U.S. waters.

Paragraph (3) amends section 4102(e) of title 46 to ensure that the Coast Guard regulations for manned uninspected vessels, including the number and type of emergency locating equipment required, will continue to apply beyond three miles from the baseline of the United States, an area which is no longer considered high seas.

Paragraph (4) amends section 4301(a) of title 46 by including within a new definition of "waters subject to the jurisdiction of the United States" all waters of the 12 nautical mile territorial sea. The amendment enhances the current authority of the Coast Guard to regulate recreational vessel safety in the expanded U.S. waters, such as enforcing carriage requirements and terminating unsafe operations.

Paragraph (5) amends section 4502(a)(7) of title 46 by striking "on vessels that operate on the high seas" and inserting "beyond 3 nautical miles from the baselines from which the territorial sea of the United States is measured". The amendment enables the Coast Guard to continue to require emergency position indicating radio beacons on vessels which operate beyond three nautical miles from the baseline from which the territorial sea measured, thus enhancing navigation safety.

Paragraph (6) amends section 4506(b) of title 46 by inserting new language to indicate that commercial fishing vessels are only exempt from Coast Guard regulations under this chapter if they are operating in internal waters of the United States or within 3 nautical miles from the baseline of the United States, but are not exempt if they are operating between 3 and 12 nautical miles, formerly, but no longer, an area of the high seas.

Paragraph (7) amends section 8502(a)(3) of title 46 to indicate that the requirement for federal pilots on coastwise seagoing vessels continues to apply to vessels operating within three nautical miles from the baseline of the United States.

Paragraph (8) amends section 8503(a)(2) of title 46 to indicate that the Coast Guard may continue to require a federal pilot on a self-propelled vessel if a pilot is not required by state law and the

vessel is operating within three nautical miles from the baseline of the United States.

SECTION 302. PENALTIES FOR INTERFERING WITH THE SAFE OPERATION OF A VESSEL

Section 302 of this bill amends section 2302(a) of title 46, United States Code, to establish a new civil penalty of \$1,000 for a person who interferes with the safe operation of a vessel, so as to endanger the life, limb, or property of a person. Activities subject to this penalty may include jumping off a commercial passenger vessel while the vessel is in operation, interfering with the duties of the master or other crew members, or operating a vessel in a manner which interferes with the safe operation of another vessel.

The Committee is concerned about the lack of enforcement action against persons who “jump the wakes” of passenger vessels in violation of the existing prohibition under section 2302(a) of title 46 against operating a vessel in a negligent manner. While the Committee is aware of numerous efforts by the Coast Guard Auxiliary and others to educate the boating public about the dangers of these practices, direct enforcement action against this activity should be taken by the Coast Guard if this unsafe activity is to be curtailed. The Committee urges the Coast Guard to make a concerted effort to improve the safety of our nation’s waterways by enhancing its enforcement action against this activity.

The Committee is also concerned that the existing Coast Guard marine casualty reporting system, by failing to segregate marine casualties directly tied to the operation of a commercial passenger vessel, has led to an incomplete and inaccurate picture of the industry’s safety record. The Committee directs the Coast Guard to develop a marine casualty reporting system that segregates marine casualties so that the data accurately reflects the safety record of the passenger vessel industry and other regulated segments of the merchant vessel industry.

Title IV—Miscellaneous

SECTION 401. VESSEL IDENTIFICATION SYSTEM AMENDMENTS

Section 401, of this bill amends several sections in title 46, United States Code, to enhance the effectiveness of the Vessel Identification System currently being developed by the Coast Guard. Under chapter 125 of title 46, the Secretary of Transportation is required to establish a vessel identification system to make available certain information for use in law enforcement and for other purposes relating to the ownership of vessels in the United States. The Coast Guard is in the prototype stage of developing a Vessel Identification System (VIS), and has been working closely with the system’s potential users, including marine law enforcement officials and marine bankers. The Coast Guard plans to begin operation of the information system in four pilot states in the fall of this year.

Originally conceived as a crime prevention initiative, the VIS ultimately will aid law enforcement, provide a higher level of protection for consumers, and promote financing for recreational vessels in this country. The system will record key data on every rec-

reational vessel registered in or imported into the country, and will make this information available “on-line” to authorized users.

Section 401(1) of this bill amends section 12102(a) of title 46 to delete language that makes a vessel titled in a state ineligible for Federal documentation. Section 401(2) of this bill requires that a State title be surrendered to the Secretary of Transportation when a vessel receives a Federal document. Section 403(3)(A) of this section provides that mortgages deemed to be preferred under section 31322(d) of title 46 may have the rate of interest to which the parties agree. Section 403(3)(B) ensures that a mortgage deemed to be preferred under section 31322(d) of title 46 does not lose that status simply because the vessel is no longer titled in the state where the mortgage became preferred. Finally, section 403(4) of this bill extends the ability of a vessel mortgagee to enforce a preferred mortgage covering a vessel titled in a State in a civil action “in rem”.

The Committee is pleased to note that the Coast Guard has appointed a project coordinator, Captain Michael Rosecrans, to coordinate the various Coast Guard rulemakings related to the implementation of the VIS. It is necessary for the various branches within the Coast Guard to work together and with interested parties outside the Coast Guard to implement the VIS, including State boating law administrators, the marine manufacturing and retailing industry, recreational boaters, and the maritime bar. In order for the public to derive the benefits contemplated by the VIS project, it is imperative that the Coast Guard move forward with the implementing regulations promptly and in a coordinated manner. This approach will gain the State support necessary to implement the VIS successfully.

SECTION 402. CONVEYANCE OF COAST GUARD RESERVE TRAINING FACILITY, JACKSONVILLE, FLORIDA

Section 402 of this bill requires the Secretary of Transportation to dispose of by sale, at fair market value, the land and improvements comprising the Coast Guard Reserve Training Facility in Jacksonville, Florida. The section also gives the right of first refusal to purchase the property to the city of Jacksonville.

SECTION 403. DOCUMENTATION OF CERTAIN VESSELS

Section 403(a) of this bill waives certain U.S. coastwise trade laws for the following vessels:

Seagull (H.R. 1899)

H.R. 1899 was introduced by the Honorable Joe Scarborough on June 16, 1997, to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for the vessel *Seagull*.

The *Seagull*, U.S. official number 1038605, is a 47-foot vessel for which no information concerning the place of construction is available. The vessel owner plans to employ the vessel in conducting commercial fishing tours carrying a maximum of six passengers.

Barefoot Contessa (H.R. 1750)

H.R. 1750 was introduced by the Honorable Tillie Fowler on May 22, 1997, to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for the vessel *Barefoot Contessa*.

The *Barefoot Contessa*, U.S. official number 285410, is a 62.9-foot, 48-ton yacht. The vessel is custom designed and was built in 1961. While the vessel's hull was manufactured in England, 90 percent of the vessel was completed in the U.S. at Hodgeon Brothers in East Boothbay, Maine. The vessel's current remodeling and refurbishing is being done in Jacksonville, Florida. The vessel owner plans to charter the vessel as a passenger yacht.

Precious Metal (H.R. 1589)

H.R. 1589 was introduced by the Honorable Michael Forbes on May 13, 1997, to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade and fisheries for the vessel *Precious Metal*.

Precious Metal, U.S. official number 596316, is a 32-foot recreational fishing boat which was constructed in Canada. The owner plans to use the vessel to begin a small fishing charter boat business.

Blue Hawaii (H.R. 1552)

H.R. 1552 was introduced by the Honorable Bill Young on May 7, 1997, to authorize the Secretary of Transportation to issue a certificate of documentation with the appropriate endorsement for employment in the coastwise trade for the vessel *Blue Hawaii*.

Blue Hawaii, State of Florida registration number FL0466KC, is a 39-foot vessel built in Taiwan in 1978. The owner plans to use the vessel on the Great Lakes to carry passengers to fish and sight-see.

Southern Star (H.R. 1528)

H.R. 1528 was introduced by the Honorable Carolyn Maloney on May 1, 1997, to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for the vessel *Southern Star*.

The *Southern Star*, U.S. official number 650774, is a 42-foot sailing vessel constructed in Italy. The owner plans to charter the vessel as a passenger vessel.

Keewaydin (H.R. 1314)

H.R. 1314 was introduced by the Honorable Porter Goss on April 10, 1997, to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for the vessel *Keewaydin*.

The *Keewaydin*, U.S. official number 662066, is a sailboat built in New Zealand. The owner plans to charter this passenger sailing vessel.

W.G. Jackson (H.R. 1030)

H.R. 1030 was introduced by the Honorable Peter Hoekstra on March 11, 1997, to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for the vessel, *W.G. Jackson*.

The *W.G. Jackson*, U.S. official number 1047199, is a 64-foot research vessel which was built in Canada. This floating laboratory vessel is owned and operated by Grand Valley State University. It is used as a floating laboratory for the University's outreach education program involving students, youth groups, civic groups and others in the community with interest in the Great Lakes' aquatic environment.

Hopper Barge E-15 (H.R. 999)

H.R. 999 was introduced by the Honorable Walter Jones on March 6, 1997, to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for a hopper barge.

Hopper barge E-15, North Carolina State official number 264959, is a commercial barge which was built in Maryland in 1952. The vessel lost its trading privileges because at some point the barge had been sold to individuals who were not U.S. citizens. The small marine contractor who owns the barge plans to use this vessel in North Carolina.

Mighty John III (H.R. 1825)

H.R. 1825 was introduced by the Honorable Marcy Kaptur on June 5, 1997, to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for the vessel *Mighty John III*.

The *Mighty John III*, Canadian registration number 318746, is a 43.9-foot, 25 ton, self-propelled tug which was built in Toronto, Canada, in 1962. Geo. Gradel Company, a marine construction contractor headquartered in Ohio, purchased this vessel in 1993 unaware that the vessel could not be registered in the United States. The vessel has been laid up since 1994. The company intends to use this tug to move barges loaded with construction materials and equipment.

Mar Y Paz (H.R. 2008)

H.R. 2008 was introduced by the Honorable Jerry Weller on June 21, 1997, to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for the vessel *Mar Y Paz*.

The *Mar Y Paz*, U.S. official number 668179, is a 57-foot sailboat which was built in New Zealand in 1972. The owner plans to operate vessel as a passenger charter vessel.

Samakee (H.R. 2033)

H.R. 2033 was introduced by the Honorable Jack Quinn on June 24, 1997, to authorize the Secretary of Transportation to issue a

certificate of documentation with appropriate endorsement for employment in the coastwise trade for the vessel *Samakee*.

The *Samakee*, State of New York registration number NY 4108 FK, is a 34-foot passenger vessel which was built in Taiwan. The owner plans to operate the vessel as a two person passenger cruise vessel on the New York State Canal.

Nawnsense (H.R. 1618)

H.R. 1618 was introduced by the Honorable Martin Meehan on May 14, 1997, to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the fisheries for the vessel *Nawnsense*.

The *Nawnsense*, U.S. official number 977593, is a 40-foot vessel which was built in Taiwan. The owners plan to continue to use this vessel as a recreational vessel, but would like the authority to engage in commercial fisheries activities.

Section 403(b) of this bill clarifies an ambiguity with respect to the citizenship of certain officers of the parent of the corporation holding title to the U.S. flag vessel, *Philadelphia* (United States official number 654192). The applicable statutes require, in the case of a corporation, that the “president or other chief executive officer” be a U.S. citizen. The Coast Guard has interpreted the conjunction “or” to mean “and” by requiring that both a corporation’s president and chief executive officer be U.S. citizens. Although the chief executive officer of the parent company of the owner of the *Philadelphia* is a U.S. citizen, the president is not. Section 403(b) provides that the subsidiaries of this parent company may continue to document vessels notwithstanding the citizenship of the president of the parent, provided that the chief executive officer of the parent is a citizen of the United States, and that the customary requirements are met.

Section 403(c) deems the coastwise qualified vessel *Sunmark Sky* to have been constructed in the United States.

SECTION 404. CONVEYANCE OF COAST GUARD PROPERTY IN NAHANT, MASSACHUSETTS

Section 404 of this bill authorizes the Secretary of Transportation to convey the property comprising the United States Coast Guard Recreation Facility in Nahant, Massachusetts, to the town of Nahant, Massachusetts.

SECTION 405. UNREASONABLE OBSTRUCTION AND NAVIGATION

Section 405 of this bill deems the Bridge Street Liftbridge in Philadelphia, Pennsylvania, to be an obstruction to navigation, eligible for funding under the Coast Guard’s Truman-Hobbs bridge alteration program.

SECTION 406. FINANCIAL RESPONSIBILITY FOR OIL SPILL RESPONSE VESSELS

Section 406 of this bill requires that vessels engaged in oil spill response must maintain financial responsibility at the level required for vessels other than oil tank vessels.

SECTION 407. CONVEYANCE OF COAST GUARD PROPERTY TO
JACKSONVILLE UNIVERSITY IN JACKSONVILLE, FLORIDA

Section 407 of this bill authorizes the Secretary of Transportation to convey the property comprising the Long Branch Rear Range Light in Jacksonville, Florida, to Jacksonville University.

SECTION 408. PENALTY FOR VIOLATION OF INTERNATIONAL SAFETY
CONVENTION

Section 408 of this bill prohibits a vessel from transporting government-impelled cargoes if the vessel had been detained by the Coast Guard for violation of an international safety convention to which the United States is a party or if the vessel is owned by a person that has had more than one vessel detained by the Secretary in the previous year. Notice of these detentions must be made available in an electronic form, including the name of the owner or the vessel. The vessel will be prohibited from transporting cargoes for one year from the date of electronic publication of the detention of that vessel or the publication of the last vessel owned by that company that was detained. The Coast Guard currently maintains a Port State Control Web page on the Internet that lists all of the foreign-flag vessels to which this section applies.

According to the Coast Guard, 69 of the 476 vessels detained in 1996 (14%) carried U.S. Government preference cargoes between 1992–1997 and 22 of the owners or operators that had multiple vessels detained in 1996 also transported government cargoes between 1992–1997. Why should one Federal agency be detaining a vessel for violation of an international safety convention, while another agency hires that vessel to transport its good?

The Committee believes it will be very easy for Government agencies to examine these lists when transportation services are being acquired to transport Government cargoes. By making this information readily available on the World Wide Web, all shippers will be able to review the safety record before they hire the vessel to transport their goods. The Committee urges the Coast Guard to develop an international list of such vessels through the International Maritime Organization. In the meantime, the Coast Guard should look at similar Web pages sponsored by foreign governments that list vessels they have detained, and modify the Coast Guard's Port State Control matrix to factor in vessels that have been detained by a foreign-government for violation of an international safety convention when they decide which vessels entering the United States they are going to inspect. For example, if a vessel was detained by Great Britain, the Coast Guard may want to conduct a follow-up inspection when the vessel arrives in the United States.

SECTION 409. COAST GUARD CITY, USA

Section 409 of this bill recognizes the community of Grand Haven, Michigan, as "Coast Guard City, USA". Grand Haven first demonstrated its affection for the Coast Guard with a small community picnic welcoming the Coast Guard Cutter *Escanaba* in 1932. On August 4, 1943, the citizens of Grand Haven assembled not only to celebrate Coast Guard Day, but also to remember and

pay tribute to those who lost their lives in service to their country when the *Escanaba* was sunk in the North Atlantic during World War II. The people of Grand Haven pay their continuing respect to the Coast Guard with an annual Grand Haven Coast Guard Festival, and with a memorial service for Coast Guard men and women who died in service aboard the *Escanaba* and performing Coast Guard missions. The Coast Guard has expressed its support for official recognition of Grand Haven as “Coast Guard City, USA” because of its continuing close relationship with the community of Grand Haven.

SECTION 410. CONVEYANCE OF COMMUNICATION STATION BOSTON MARSHFIELD RECEIVER SITE, MASSACHUSETTS

Section 410 of this bill authorizes the Secretary of Transportation to convey the Coast Guard Communication Station Boston Marshfield Receiver Site in Massachusetts to the Town of Marshfield, Massachusetts.

COMMITTEE OVERSIGHT FINDINGS AND RECOMMENDATIONS

With respect to the requirements of clause 2(1)(3) of rule XI of the Rules of the House of Representatives, and clause 2(b)(1) of rule X of the Rules of the House of Representatives, the Subcommittee on Coast Guard and Maritime Transportation of the Committee on Transportation and Infrastructure held a hearing on the Administration’s fiscal year 1998 budget request for the Coast Guard on March 19, 1997, and the Committee’s oversight findings and recommendations are reflected in this report.

COST OF THE LEGISLATION

Clause 7(a) of rule XIII of the Rules of the House of Representatives requires an estimate and a comparison by the Committee of the costs which would be incurred by enactment of H.R. 2204. However, clause 7(d) of that Rule provides that this requirement does not apply when the Committee has included in its report a timely submitted cost estimate of the bill prepared by the Director of the Congressional Budget Office under section 403 of the Congressional Budget Act of 1974.

CONSTITUTIONAL AUTHORITY STATEMENT

Article 1, section 8 of the Constitution of the United States grants Congress the authority to enact H.R. 2204.

COMPLIANCE WITH HOUSE RULE XI

1. With respect to the requirement of clause 2(1)(3)(B) of rule XI of the Rules of the House of Representatives and section 308(a) of the Congressional Budget Act of 1974, H.R. 2204 does not contain any new budget authority, spending authority, credit authority, or an increase or decrease in revenues or tax expenditures.

2. With respect to the requirement of clause 2(1)(3)(D) of rule XI of the Rules of the House of Representatives, the Committee has received no report of oversight findings and recommendations from

the Committee on Government Reform and Oversight on the subject of H.R. 2204.

3. With respect to the requirement of clause 2(l)(3)(C) of rule XI of the Rules of the House of Representatives and section 403 of the Congressional Budget Act of 1974, the Committee has received the following cost estimate for H.R. 2204 from the Director of the Congressional Budget Office.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, July 31, 1997.

Hon. BUD SHUSTER,
*Chairman, Committee on Transportation and Infrastructure,
House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 2204, the Coast Guard Authorization Act of 1997.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contacts are Deborah Reis (for federal costs), Karen McVey (for the state and local impact), and Jean Wooster (for the private-sector impact).

Sincerely,

JUNE E. O'NEILL, *Director.*

Enclosure.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

H.R. 2204—Coast Guard Authorization Act of 1997

Summary: H.R. 2204 would authorize appropriations for discretionary programs of the U.S. Coast Guard (USCG) for fiscal years 1998 and 1999. For 1998, the bill would authorize about \$3.3 billion, including about \$2.8 billion for operating expenses, \$401 million for acquisition and other capital projects, \$19.5 million for research activities, \$17 million for bridge alterations, and \$21 million for environmental compliance. Fiscal year 1999 authorizations would total about \$3.4 billion, including \$2.9 billion for operations, \$440 million for capital projects, \$19 million for research, \$20 million for bridge alterations and \$21 million for environmental compliance. Of the amounts authorized for each year, \$48.5 million would be derived from the Oil Spill Liability Trust Fund (OSLTF). The bill also would authorize the appropriation of \$652 million and \$692 million, respectively, for retirement benefits in 1998 and 1999.

H.R. 2204 contains no new intergovernmental or private-sector mandates as defined in the Unfunded Mandates Act of 1995 (UMRA) and would impose no significant costs on state, local, or tribal governments.

Two provisions of H.R. 2204 could increase federal revenues from civil penalties; therefore, pay-as-you-go procedures would apply. The budgetary effect of these provisions, however, would be negligible. The bill would have no significant effect on direct spending.

Estimated cost to the Federal Government: Assuming appropriation of the entire amounts authorized for discretionary programs, fiscal year 1998 funding would be \$198 million (or 6 percent) more

than the 1997 appropriation. Funding for 1999 would grow by an additional 3 percent. The estimated budgetary effects of the legislation are summarized in the following table:

[By fiscal year, in millions of dollars]

| | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 |
|--|-------|-------|-------|------|------|------|
| SPENDING SUBJECT TO APPROPRIATION | | | | | | |
| USCG spending under current law: | | | | | | |
| Authorization level ¹ | 3,052 | 29 | 29 | 0 | 0 | 0 |
| Estimated outlays | 2,807 | 867 | 455 | 120 | 54 | 40 |
| Proposed changes: | | | | | | |
| Authorization level | 0 | 3,221 | 3,326 | 0 | 0 | 0 |
| Estimated outlays | 0 | 2,288 | 2,797 | 822 | 455 | 117 |
| USCG spending under H.R. 2204: | | | | | | |
| Authorization level ¹ | 3,052 | 3,250 | 3,355 | 0 | 0 | 0 |
| Estimated outlays | 2,807 | 3,155 | 3,251 | 942 | 509 | 157 |

¹The 1997 figure is the amount appropriated for programs authorized by this bill. The \$29 million shown for 1998 and 1999 is the amount already authorized by the Oil Pollution Act of 1990 for appropriations from the OSLTF.

The costs of this legislation fall within budget functions 300 (natural resources and environment) and 400 (transportation).

Amounts provided in the bill for Coast Guard retirement have not been included in the above table because such pay is an entitlement under current law, requiring no annual authorization of appropriations.

Basis of estimate: For purposes of this estimate, CBO assumes that H.R. 2204 will be enacted by October 1, 1997, and that the full amounts authorized for USCG programs will be appropriated for each fiscal year.

The additional authorizations for 1998 and 1999 are the amounts stated in the bill for discretionary accounts, excluding \$28.5 million of the \$48.5 million to be derived from the OSLTF. (These amounts, which consist of \$25 million for Coast Guard operations and \$3.5 million for research, have been excluded because such amounts are already authorized under existing law.) Outlays are estimated on the basis of historical spending patterns for Coast Guard programs.

Two provisions of H.R. 2204 would increase future costs of Coast Guard operations and other discretionary programs, assuming appropriation of the necessary amounts. First, section 201 of the bill would increase annual operating expenses by removing the \$15,000 cap on severance payments for warrant officers. In total, CBO estimates the cost of this provision to be less than \$200,000 per year.

In addition, section 405 would deem a liftbridge over the Schuylkill River in Philadelphia, Pennsylvania to be an unreasonable obstruction to navigation for purposes of the Truman-Hobbs Act, making alteration of the bridge eligible for federal funding. In the absence of this provision, the bridge probably would be demolished by its current owner, the U.S. Navy, at minimal cost to the federal government. Reconstruction of the bridge under the Truman-Hobbs Act would cost considerably more than demolition—an estimated \$20 million to \$25 million.

Several other provisions of Title IV would direct the Coast Guard to convey certain real property to nonfederal parties. With the exception of section 402, all of these would provide for the donation of federal property to various units of local government or nonprofit

organizations. Because none of these sites are likely to be sold under current Administration plans, their donation would have no effect on the federal budget. Section 402 would direct the USCG to sell at fair market value a former reserve training facility in Jacksonville, Florida. The city of Jacksonville, which currently leases the site from the Coast Guard, would be given the right of first refusal. CBO estimates that the value of the 3.4-acre site is less than \$500,000. We further expect that sale of this property also would have no effect on the federal budget because the site probably would be sold as surplus property in the absence of any legislation.

Other provisions of H.R. 2204 are not expected to have any significant impact on the federal budget.

Pay-as-you-go considerations: Section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 sets up pay-as-you-go procedures for legislation affecting direct spending or receipts through 1998. Two provisions of H.R. 2204 could affect receipts by increasing civil penalties, but CBO estimates that the amount of any new revenues would not be significant.

Estimated impact on State, local, and tribal governments: H.R. 2204 contains no intergovernmental mandates as defined in UMRA; however, several provisions would affect state and local governments. CBO estimates that, on the whole, the bill's provisions, including those discussed above, would benefit state and local governments.

The bill's amendments to the federal Vessel Identification System could result in more vessel owners seeking state numbering and titling of their boats. It would also shift a small number of vessel-related court cases from state to U.S. district courts. CBO estimates the budgetary impact of these changes would be negligible. Participation of states in vessel numbering and titling is voluntary, and states generally charge fees to cover the costs of administering the program. CBO estimates the changes in court jurisdiction would not significantly affect state court costs. Finally, a provision in H.R. 2204 would lower the financial responsibility requirements for certain oil spill response vessels, some of which are owned by state and local governments.

Estimated impact on the private sector: H.R. 2204 would extend from 3 miles to 12 miles the territorial sea of the United States for purposes of enforcing the Ports and Waterways Safety Act and portions of Title 46 of the United States Code (Shipping). Thus, H.R. 2204 would extend the geographical coverage of existing private-sector mandates, regarding marine safety, on owners or operators of vessels visiting U.S. ports. Based on information provided by the Coast Guard, CBO estimates that this bill should impose no additional costs on the private sector because the same number of ships would be affected as under current law.

Estimate prepared by: Federal Costs: Deborah Reis; Impact on State, Local, and Tribal Governments: Karen McVey; and Impact on the Private Sector: Jean Wooster.

Estimate approved by: Robert A. Sunshine, Deputy Assistant Director for Budget Analysis.

COMPLIANCE WITH PUBLIC LAW 104-4

H.R. 2204 contains no unfunded mandates, as defined under Public Law 104-4.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

TITLE 14, UNITED STATES CODE

* * * * *

PART I—REGULAR COAST GUARD

* * * * *

CHAPTER 5—FUNCTIONS AND POWERS

* * * * *

§ 93. Commandant; general powers

(a) For the purpose of executing the duties and functions of the Coast Guard the Commandant may:

[(a)] (1) maintain water, land, and air patrols, and ice-breaking facilities;

[(b)] (2) establish and prescribe the purpose of, change the location of, consolidate, discontinue, re-establish, maintain, operate, and repair Coast Guard shore establishments;

[(c)] (3) assign vessels, aircraft, vehicles, aids to navigation, equipment, appliances, and supplies to Coast Guard districts and shore establishments, and transfer any of the foregoing from one district or shore establishment to another;

[(d)] (4) conduct experiments, investigate, or cause to be investigated, plans, devices, and inventions relating to the performance of any Coast Guard function and cooperate and coordinate such activities with other Government agencies and with private agencies;

[(e)] (5) conduct any investigations or studies that may be of assistance to the Coast Guard in the performance of any of its powers, duties, or functions;

[(f)] (6) collect, publish, and distribute information concerning Coast Guard operations;

[(g)] (7) conduct or make available to personnel of the Coast Guard such specialized training and courses of instruction, including correspondence courses, as may be necessary or desirable for the good of the service;

[(h)] (8) design or cause to be designed, cause to be constructed, accept as gift, or otherwise acquire patrol boats and other small craft, equip, operate, maintain, supply, and repair such patrol boats, other small craft, aircraft, and vehicles, and

subject to applicable regulations under the Federal Property Administrative Services Act of 1949 (40 U.S.C. 471 et seq.) dispose of them;

【(i)】 (9) acquire, accept as gift, maintain, repair, and discontinue aids to navigation, appliances, equipment, and supplies;

【(j)】 (10) equip, operate, maintain, supply, and repair Coast Guard districts and shore establishments;

【(l)】 (11) establish, equip, operate, and maintain shops, depots, and yards for the manufacture and construction of aids to navigation, equipment, apparatus, vessels, vehicles, and aircraft not normally or economically obtainable from private contractors, and for the maintenance and repair of any property used by the Coast Guard;

【(m)】 (12) accept and utilize, in times of emergency in order to save life or protect property, such voluntary services as may be offered to the Coast Guard;

【(n)】 (13) rent or lease, under such terms and conditions as are deemed advisable, for a period not exceeding five years, such real property under the control of the Coast Guard as may not be required for immediate use by the Coast Guard, the monies received from any such rental or lease, less amount of expenses incurred (exclusive of governmental personal services), to be deposited in the Treasury;

【(o)】 (14) grant, under such terms and conditions as are deemed advisable, permits, licenses, easements, and rights-of-way over, across, in, and upon lands under the control of the Coast Guard when in the public interest and without substantially injuring the interests of the United States in the property thereby affected;

【(p)】 (15) establish, install, abandon, re-establish, reroute, operate, maintain, repair, purchase, or lease such telephone and telegraph lines and cables, together with all facilities, apparatus, equipment, structures, appurtenances, accessories, and supplies used or useful in connection with the installation, operation, maintenance, or repair of such lines and cables, including telephones in residences leased or owned by the Government of the United States when appropriate to assure efficient response to extraordinary operational contingencies of a limited duration, and acquire such real property rights of way, easements, or attachment privileges as may be required for the installation, operation, and maintenance of such lines, cables, and equipment;

【(q)】 (16) establish, install, abandon, reestablish, change the location of, operate, maintain, and repair radio transmitting and receiving stations;

【(r)】 (17) provide medical and dental care for personnel entitled thereto by law or regulation, including care in private facilities;

【(s)】 (18) accept, under terms and conditions the Commandant establishes, the service of an individual ordered to perform community service under the order of a Federal, State, or municipal court【,】;

[(t)] (19) notwithstanding any other law, enter into cooperative agreements with States, local governments, non-governmental organizations, and individuals, to accept and utilize voluntary services for the maintenance and improvement of natural and historic resources on, or to benefit natural and historic research on, Coast Guard facilities, subject to the requirement that—

[(1)] (A) the cooperative agreements shall each provide for the parties to contribute funds or services on a matching basis to defray the costs of such programs, projects, and activities under the agreement; and

[(2)] (B) a person providing voluntary services under this subsection shall not be considered a Federal employee except for purposes of chapter 81 of title 5, United States Code, with respect to compensation for work-related injuries, and chapter 171 of title 28, United States Code, with respect to tort claims;

[(u)] (20) enter into cooperative agreements with other Government agencies and the National Academy of Sciences; and

[(v)] (21) require that any member of the Coast Guard or Coast Guard Reserve (including a cadet or an applicant for appointment or enlistment to any of the foregoing and any member of a uniformed service who is assigned to the Coast Guard) request that all information contained in the National Driver Register pertaining to the individual, as described in section 30304(a) of title 49, be made available to the Commandant under section 30305(a) of title 49, may receive that information, and upon receipt, shall make the information available to the individual.

(b) *The Commandant may provide for the honorary recognition of individuals and organizations, including State and local governments and commercial and nonprofit organizations, that significantly contribute to Coast Guard programs, missions, or operations, by awarding plaques, medals, trophies, badges, and similar items to acknowledge that contribution.*

* * * * *

CHAPTER 11—PERSONNEL

* * * * *

§ 286a. Regular warrant officers: severance pay

(a) * * *

* * * * *

(d) The acceptance of severance pay under this section does not deprive a person of any retirement benefits from the United States. However, there shall be deducted from each of his retirement payments so much thereof as is based on the service for which he has received severance pay under this section, until the total deductions equal the amount of such severance pay. [However, no person

is entitled to severance pay under this section in an amount that is more than \$15,000.】

* * * * *

SECTION 3 OF THE PORTS AND WATERWAYS SAFETY ACT

SEC. 3. DEFINITIONS.—As uses in this Act, unless the context otherwise requires—

(1) * * *

* * * * *

(5) “*Navigable waters of the United States*” includes all waters of the territorial sea of the United States as described in Presidential Proclamation 5928 of December 27, 1988.

TITLE 46, UNITED STATES CODE

* * * * *

Subtitle II—Vessels and Seamen

PART A—GENERAL PROVISIONS

* * * * *

CHAPTER 21—GENERAL

§ 2101. General definitions

In this subtitle—

(1) “associated equipment”—

* * * * *

(17a) “*navigable waters of the United States*” includes all waters of the territorial sea of the United States as described in Presidential Proclamation 5928 of December 27, 1988.

【(17a)】 (17b) “numbered vessel” means a vessel for which a number has been issued under chapter 123 of this title.

* * * * *

CHAPTER 23—OPERATION OF VESSELS GENERALLY

Sec.

2301. Application.

【2302. Penalties for negligent operations.】

2302. *Penalties for negligent operations and interfering with safe operation.*

* * * * *

§ 2301. Application

Except as provided in section 2306 of this title, this chapter applies to a vessel operated on waters subject to the jurisdiction of the United States (*including the territorial sea of the United States as described in Presidential Proclamation 5928 of December 27, 1988*) and, for a vessel owned in the United States, on the high seas.

[§ 2302. Penalties for negligent operations]

§ 2302. Penalties for negligent operations and interfering with safe operation

(a) A person operating a vessel in a negligent manner [that endangers] *or interfering with the safe operation of a vessel, so as to endanger* the life, limb, or property of a person is liable to the United States Government for a civil penalty of not more than \$1,000.

* * * * *

(e)(1) *A vessel may not transport cargoes sponsored by the United States Government if—*

(A) the vessel has been detained by the Secretary for violation of an international safety convention to which the United States is a party, and the Secretary has published notice of that detention in an electronic form, including the name of the owner of the vessel; or

(B) the owner of the vessel has had more than one vessel detained by the Secretary for violation of an international safety convention to which the United States is a party, and the Secretary has published notice of that detention in an electronic form, including the name of the owner of the vessel.

(2) *The prohibition in paragraph (1) expires for a vessel 1 year after the date of the publication in electronic form on which the prohibition is based.*

* * * * *

PART B—INSPECTION AND REGULATION OF VESSELS

* * * * *

CHAPTER 41—UNINSPECTED VESSELS GENERALLY

* * * * *

§ 4102. Safety equipment

(a) * * *

* * * * *

(e) Each manned uninspected vessel operating [on the high seas] *beyond 3 nautical miles from the baseline from which the territorial sea of the United States is measured* or beyond three nautical miles from the coastline of the Great Lakes shall be equipped with the number and type of alerting and locating equipment, including emergency position indicating radio beacons, prescribed by the Secretary.

* * * * *

CHAPTER 43—RECREATIONAL VESSELS

* * * * *

§ 4301. Application

(a) This chapter applies to a recreational vessel and associated equipment carried in the vessel on waters subject to the jurisdiction of the United States *(including the territorial sea of the United*

States as described in Presidential Proclamation 5928 of December 27, 1988) and, for a vessel owned in the United States, on the high seas.

* * * * *

CHAPTER 45—UNINSPECTED COMMERCIAL FISHING INDUSTRY VESSELS

* * * * *

§ 4502. Safety standards

(a) The Secretary shall prescribe regulations which require that each vessel to which this chapter applies shall be equipped with—

(1) * * *

* * * * *

(7) alerting and locating equipment, including emergency position indicating radio beacons, **on vessels that operate on the high seas** *beyond 3 nautical miles from the baseline from which the territorial sea of the United States is measured or beyond 3 nautical miles from the coastline of the Great Lakes; and*

* * * * *

§ 4506. Exemptions

(a) * * *

(b) A vessel to which this chapter applies is exempt from section 4502(b)(2)(B) of this title if it—

(1) is less than 36 feet in length; and

[(2) is not operating on the high seas.]

(2) *is operating—*

(A) in internal waters of the United States, or

(B) within 3 nautical miles from the baseline from which the territorial sea of the United States is measured.

* * * * *

PART F—MANNING OF VESSELS

* * * * *

CHAPTER 85—PILOTS

* * * * *

§ 8502. Federal pilots required

(a) Except as provided in subsections (g) and (i) of this section, a coastwise seagoing vessel shall be under the direction and control of a pilot licensed under section 7101 of this title if the vessel is—

(1) not sailing on register;

(2) underway;

(3) **[not on the high seas]** *not beyond 3 nautical miles from the baseline from which the territorial sea of the United States is measured; and*

* * * * *

§ 8503. Federal pilots authorized

(a) The Secretary may require a pilot licensed under section 7101 of this title on a self-propelled vessel when a pilot is not required by State law and the vessel is—

(1) engaged in foreign commerce; and

[(2) operating on the navigable waters of the United States.]

(2) *is operating—*

(A) in internal waters of the United States, or

(B) within 3 nautical miles from the baseline from which the territorial sea of the United States is measured.

* * * *

PART H—IDENTIFICATION OF VESSELS

CHAPTER 121—DOCUMENTATION OF VESSELS

* * * *

§ 12102. Vessels eligible for documentation

(a) A vessel of at least 5 net tons that is not registered under the laws of a foreign country [or is not titled in a State] is eligible for documentation if the vessel is owned by—

(1) * * *

* * * *

CHAPTER 123—NUMBERING UNDOCUMENTED VESSELS

* * * *

§ 12301. Numbering vessels

(a) * * *

* * * *

(c) A documented vessel shall not be titled or required to display numbers under this chapter by a State, and any certificate of title issued by a State for a documented vessel shall be surrendered in accordance with regulations prescribed by the Secretary.

(d) The Secretary may approve the surrender under subsection (c) of a certificate of title covered by a preferred mortgage under section 31322(d) of this title only if the mortgagee consents.

* * * *

Subtitle III—Maritime Liability

* * * *

CHAPTER 313—COMMERCIAL INSTRUMENTS AND MARITIME LIENS

* * * *

§ 31322. Preferred mortgages

(a) * * *

[(b) A preferred mortgage filed or recorded under this chapter may have any rate of interest that the parties to the mortgage agree to.]

(b) Any indebtedness secured by a preferred mortgage that is filed or recorded under this chapter, or that is subject to a mortgage or instrument that is deemed to be a preferred mortgage under subsection (d) of this section, may have any rate of interest to which the parties agree.

* * * * *

(d)(1) A mortgage or instrument granting a security interest perfected under State law covering the whole of a vessel titled in a State is deemed to be a preferred mortgage if—

(A) * * *

* * * * *

[(3) A preferred mortgage under this subsection continues to be a preferred mortgage if the vessel is no longer titled in the State where the mortgage was made.]

(3) A preferred mortgage under this subsection continues to be a preferred mortgage even if the vessel is no longer titled in the State where the mortgage or instrument granting a security interest became a preferred mortgage under this subsection.

* * * * *

§ 31325. Preferred mortgage liens and enforcement

(a) * * *

(b) On default of any term of the preferred mortgage, the mortgagee may—

(1) enforce the preferred mortgage lien in a civil action in rem for a documented vessel, a vessel to be documented under chapter 121 of this title, *a vessel titled in a State*, or a foreign vessel;

(2) * * *

(3) enforce the preferred mortgage lien or a claim for the outstanding indebtedness secured by the mortgaged vessel, or both, by exercising any other remedy (including an extrajudicial remedy) against a documented vessel, a vessel for which an application for documentation is filed under chapter 121 of this title, *a vessel titled in a State*, a foreign vessel, or a mortgagor, maker, comaker, or guarantor for the amount of the outstanding indebtedness or any deficiency in full payment of that indebtedness, if—

(A) the remedy is allowed under applicable law; and

(B) the exercise of the remedy will not result in a violation of section 9 or 37 of the Shipping Act, 1916 (46 App. U.S.C. 808, 835).

(c) The district courts have original jurisdiction of a civil action brought under subsection (b)(1) or (2) of this section. However, for a documented vessel, a vessel to be documented under chapter 121 of this title, *a vessel titled in a State*, or a foreign vessel, this juris-

diction is exclusive of the courts of the States for a civil action brought under subsection (b)(1) of this section.

* * * * *

SECTION 1120 OF THE COAST GUARD AUTHORIZATION ACT OF 1996

SEC. 1120. DOCUMENTATION OF CERTAIN VESSELS.

(a) * * *

* * * * *

(g) VESSELS DEEMED CONSTRUCTED IN UNITED STATES.—Notwithstanding any other provision of law, the coastwise qualified vessels *SUNMAR SKY* (United States official number 683227), COASTAL SEA (United States official number 666754), COASTAL NOMAD (United States official number 686157), and COASTAL MERCHANT (United States official number 1038382) are deemed to have been constructed in the United States as of the date of their original delivery.

* * * * *

SECTION 1004 OF THE OIL POLLUTION ACT OF 1990

SEC. 1004. LIMITS ON LIABILITY.

(a) GENERAL RULE.—Except as otherwise provided in this section, the total of the liability of a responsible party under section 1002 and any removal costs incurred by, or on behalf of, the responsible party, with respect to each incident shall not exceed—

(1) * * *

(2) for any other vessel, *including a vessel responding to a discharge of substantial threat of a discharge of oil*, \$600 per gross ton or \$500,000, whichever is greater;

* * * * *